

## MEMORANDUM

3507

## NATIONAL SECURITY COUNCIL

## ACTION

April 21, 1972

~~CONFIDENTIAL~~

MEMORANDUM FOR:

DR. KISSINGER

FROM:

HAROLD H. SAUNDERS

SUBJECT:

AID Program in Bangladesh

*He intends to  
go into bilateral  
aid but to  
cut down on  
multilateral  
aid.*

The basic framework for carrying out the President's desire to shift towards bilateral economic assistance for Bangladesh will be provided by a report to be issued by the World Bank within the next week. Our response to the requirements identified in that study will provide the basis of the recommendation to the President which you asked AID for at the last SRG meeting.

Meanwhile, AID would like to instruct its man in Dacca to begin consultation with the government of Bangladesh on their priorities to speed up our ability to firm up projects. Part of our problem is that the Foreign Assistance Act forbids allocation of more than 20% of any line of appropriation in the last month of the fiscal year. Therefore, much of the obligation should be accomplished in May, and that will require compressing our negotiations with the Bengalis.

I assume from the President's instruction that he fully intends to go ahead with a bilateral aid program. That being the case, it would seem logical for our AID people to be permitted to talk to the Bengalis about the sectors to which they will give highest priority. The purpose of this memo is to seek a go-ahead for a consultation that would not commit us to any aid level but which would indicate our intention to involve ourselves bilaterally.

If there is any doubt about our moving into the bilateral aid business we should not do this, but I gather our intent is to go ahead.

Recommendation: That you either seek the President's go-ahead via the attached memo or indicate your feelings about his judgment.

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DECLASSIFIED  
PA/HO, Department of State  
E.O. 12958, as amended  
June 9, 2005